

## Message Text

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PAGE 01 STATE 289432  
ORIGIN IO-14

INFO OCT-01 EUR-12 ISO-00 OES-07 ABF-01 FSE-00 TRSE-00  
PER-05 L-03 OPR-02 /045 R

DRAFTED BY IO/SCT: ADJILLSON:GB  
APPROVED BY IO/SCT: JPTREVITHICK  
IO/IBC/BA:FPMCCORMICK(SUBS)  
-----058772 051923Z /46

P 051835Z DEC 77  
FM SECSTATE WASHDC  
TO AMEMBASSY VIENNA PRIORITY

UNCLAS STATE 289432

USIAEA

E.O. 11652: N/A

TAGS: AORG, IAEA, AFIN

SUBJECT:IAEA: TAX REIMBURSEMENT POLICIES

1. IN LIGHT OF THE CONTINUING CONTROVERSY WITHIN THE UN SYSTEM OVER THE SCOPE OF AUTHORITY TO REIMBURSE AMERICAN EMPLOYEES FOR TAXES PAID ON THEIR EMOLUMENTS, IT IS NECESSARY THAT WE GATHER AS MUCH INFORMATION AS POSSIBLE CONCERNING THE TAX REIMBURSEMENT PRACTICES OF EACH SPECIALIZED AGENCY AND THE IAEA.

2. ACCORDINGLY, MISSION REQUESTED TO PROVIDE SOONEST THE FOLLOWING INFORMATION FOR IAEA. WE CAN PROVIDE RESPONSES HERE TO QUESTION ONE AND TWO, BUT REMAINDER WILL REQUIRE CONSULTATION WITH APPROPRIATE SECRETARIAT OFFICIAL.

(1) IS THE AUTHORITY OF IAEA TO REIMBURSE AMERICAN EMPLOYEES FOR TAXES PAID ON THEIR EMOLUMENTS BASED UPON A UNCLASSIFIED

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TAX REIMBURSEMENT AGREEMENT WITH THE UNITED STATES OR A TAX EQUALIZATION FUND ESTABLISHED WITHIN THE ORGANIZATION BY APPROPRIATE RESOLUTIONS?

(2) IF THE AUTHORITY IS DERIVED FROM A RESOLUTION WHICH ESTABLISHED A TAX EQUALIZATION FUND, PLEASE PROVIDE US WITH A COPY OF THE RESOLUTION AND ANY STAFF REGULATIONS, ADMINIS-

TRATIVE RULES, ETC., WHICH ARE RELEVANT TO THE IMPLEMENTA-  
TION OF THE RESOLUTION, PARTICULARLY THOSE WHICH MAY  
SPECIFY THE TYPES OF EMOLUMENTS FOR WHICH EMPLOYEES MAY  
BE REIMBURSED.

(3) IN WHAT YEAR DID THE IAEA AUTHORIZE THE FOLLOWING  
PAYMENTS TO BE MADE: (A) FULL LUMP-SUM PENSION PAYMENT;  
(B) ONE-THIRD LUMP-SUM PENSION PAYMENTS; (C) LUMP-SUM  
DEATH BENEFITS.

(4) IN WHAT YEAR DID THE IAEA DECIDE TO REIMBURSE EMPLOY-  
EES WHO WERE TAXED ON (A) FULL LUMP-SUM PENSION PAYMENTS;  
(B) ONE-THIRD LUMP-SUM PENSION PAYMENTS; (C) LUMP-SUM  
DEATH BENEFITS.

(5) ARE YOU AWARE OF ANY PARTY TO THE CONVENTION ON THE  
PRIVILEGES AND IMMUNITIES OF THE SPECIALIZED AGENCIES  
("THE CONVENTION") WHICH DOES NOT EXEMPT FROM ITS NATIONAL  
TAXATION ANY FULL OR PARTIAL LUMP-SUM PENSION PAYMENT OR  
ANY LUMP-SUM DEATH BENEFIT?

(6) ARE YOU AWARE OF ANY PARTY THAT HAS INTERPRETED THE  
CONVENTION ON THE PRIVILEGES AND IMMUNITIES OF THE SPE-  
CIALIZED AGENCIES AS REQUIRING EXEMPTION FROM NATIONAL  
TAXATION OF PERIODIC PENSION PAYMENTS?  
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(7) HAS THE IAEA EVER REIMBURSED FOR TAXES PERIODIC  
PENSION PAYMENTS?

(8) ARE YOU AWARE OF ANY PARTY TO THE CONVENTION WHICH  
TAXES PERIODIC PENSION PAYMENTS?

(9) HAS THE IAEA MADE A DETERMINATION THAT ONE-THIRD LUMP  
SUM PENSION PAYMENTS ARE ENTITLED TO TAX EMPTION UNDER THE  
TERMS OF ARTICLE VI, SECTION 19(B) OF THE CONVENTION ON  
THE PRIVILEGES AND IMMUNITIES OF THE SPECIALIZED AGENCIES,  
BY ALL STATES PARTY THERETO?

(10) KINDLY PROVIDE ANY OTHER RELEASABLE INFORMATION  
RELEVANT TO THE SCOPE OF YOUR AUTHORITY TO REIMBURSE TAXES.

(11) DOES IAEA REQUIRE THAT EMPLOYEES SUBMIT DOCUMENTARY  
SUPPORT WITH CLAIMS FOR REIMBURSEMENT OF TAXES PAID? IF  
YES, DOES IAEA VERIFY THE CORRECTNESS OF THE AMOUNTS  
CLAIMED.

3. RESPONSE TO ABOVE QUESTIONS NEEDED BY DECEMBER 15. VANCE

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ORIGIN IO-14

INFO OCT-01 ISO-00 /015 R

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DRAFTED BY IO/AGR:JSWOLF:DKS

APPROVED BY IO:DA:TBROWN

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FM SECSTATE WASHDC

TO AMEMBASSY ROME PRIORITY

UNCLAS STATE 289432

FODAG

FOL RPT STATE 289432 ACTION VIENNA 5 DEC 77 QUOTE

UNCLAS STATE 289432

USIAEA

E.O. 11652: N/A

TAGS: AORG, IAEA, AFIN

SUBJECT:IAEA: TAX REIMBURSEMENT POLICIES

1. IN LIGHT OF THE CONTINUING CONTROVERSY WITHIN THE UN SYSTEM OVER THE SCOPE OF AUTHORITY TO REIMBURSE AMERICAN EMPLOYEES FOR TAXES PAID ON THEIR EMOLUMENTS, IT IS NECESSARY THAT WE GATHER AS MUCH INFORMATION AS POSSIBLE CONCERNING THE TAX REIMBURSEMENT PRACTICES OF EACH SPECIALIZED AGENCY AND THE IAEA.

2. ACCORDINGLY, MISSION REQUESTED TO PROVIDE SOONEST THE FOLLOWING INFORMATION FOR IAEA. WE CAN PROVIDE RESPONSES

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HERE TO QUESTION ONE AND TWO, BUT REMAINDER WILL REQUIRE CONSULTATION WITH APPROPRIATE SECRETARIAT OFFICIAL.

(1) IS THE AUTHORITY OF IAEA TO REIMBURSE AMERICAN EMPLOYEES FOR TAXES PAID ON THEIR EMOLUMENTS BASED UPON A TAX REIMBURSEMENT AGREEMENT WITH THE UNITED STATES OR A TAX EQUALIZATION FUND ESTABLISHED WITHIN THE ORGANIZATION BY APPROPRIATE RESOLUTIONS?

(2) IF THE AUTHORITY IS DERIVED FROM A RESOLUTION WHICH ESTABLISHED A TAX EQUALIZATION FUND, PLEASE PROVIDE US WITH A COPY OF THE RESOLUTION AND ANY STAFF REGULATIONS, ADMINISTRATIVE RULES, ETC., WHICH ARE RELEVANT TO THE IMPLEMENTA-

TION OF THE RESOLUTION, PARTICULARLY THOSE WHICH MAY SPECIFY THE TYPES OF EMOLUMENTS FOR WHICH EMPLOYEES MAY BE REIMBURSED.

(3) IN WHAT YEAR DID THE IAEA AUTHORIZE THE FOLLOWING PAYMENTS TO BE MADE: (A) FULL LUMP-SUM PENSION PAYMENT; (B) ONE-THIRD LUMP-SUM PENSION PAYMENTS; (C) LUMP-SUM DEATH BENEFITS.

(4) IN WHAT YEAR DID THE IAEA DECIDE TO REIMBURSE EMPLOYEES WHO WERE TAXED ON (A) FULL LUMP-SUM PENSION PAYMENTS; (B) ONE-THIRD LUMP-SUM PENSION PAYMENTS; (C) LUMP-SUM DEATH BENEFITS.

(5) ARE YOU AWARE OF ANY PARTY TO THE CONVENTION ON THE PRIVILEGES AND IMMUNITIES OF THE SPECIALIZED AGENCIES ("THE CONVENTION") WHICH DOES NOT EXEMPT FROM ITS NATIONAL TAXATION ANY FULL OR PARTIAL LUMP-SUM PENSION PAYMENT OR ANY LUMP-SUM DEATH BENEFIT?

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(6) ARE YOU AWARE OF ANY PARTY THAT HAS INTERPRETED THE CONVENTION ON THE PRIVILEGES AND IMMUNITIES OF THE SPECIALIZED AGENCIES AS REQUIRING EXEMPTION FROM NATIONAL TAXATION OF PERIODIC PENSION PAYMENTS?

(7) HAS THE IAEA EVER REIMBURSED FOR TAXES PERIODIC PENSION PAYMENTS?

(8) ARE YOU AWARE OF ANY PARTY TO THE CONVENTION WHICH TAXES PERIODIC PENSION PAYMENTS?

(9) HAS THE IAEA MADE A DETERMINATION THAT ONE-THIRD LUMP SUM PENSION PAYMENTS ARE ENTITLED TO TAX EMPTION UNDER THE

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3. RESPONSE TO ABOVE QUESTIONS NEEDED BY DECEMBER 15. VANCE

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## Message Attributes

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**TAGS:** AORG, AFIN, IAEA  
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**Review Markings:**  
Margaret P. Grafeld  
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